

AN ORDINANCE 101021

**AUTHORIZING AN AMENDMENT TO THE CITY'S TAX PHASE-IN AGREEMENT WITH MSPA ACQUISITION II, L.P. TO REMOVE ONE OF THE THREE ORIGINAL PARCELS OF PROPERTY (FORMERLY THE ADAM'S MARK SAN ANTONIO, NOW CROWNE PLAZA) FROM THE AGREEMENT; AND DISCONTINUING THE ABATEMENT OF AD VALOREM TAXES FOR THE REMOVED PARCEL.**

\* \* \* \* \*

**WHEREAS**, on February 8, 1996, the City Council approved a Tax Phase-In Agreement (the "Agreement") with a special purpose entity, Seven Seventeen HB San Antonio Corporation, created by its parent company HBE Corporation; and

**WHEREAS**, this company renovated the former NBC Tower, the Soledad Plaza West Office Building and the Soledad Plaza Parking Garage into the Adams Mark San Antonio Hotel (the "Adams Mark") and invested over \$30 million in the facility; and

**WHEREAS**, on December 18, 2003, the City Council approved an amendment to assign the Tax Phase-In Agreement to MSPA Acquisition II, L.P. ("MSPA"), a joint venture between the affiliates of Morgan Stanley Real Estate Funds and Pyramid Advisors, L.L.C., which currently owns the property; and

**WHEREAS**, the Adams Mark was re-flagged as the Crowne Plaza Hotel in 2004, with approximately 300 full-time employees; and

**WHEREAS**, MSPA is requesting an amendment to the Agreement to remove one parcel (known as 425 Soledad or the Soledad Plaza West Office Building), of the original three parcels included in the property description, upon the filing of a deed with the City evidencing sale of that parcel; and

**WHEREAS**, when placed back on the tax rolls, this single property will generate approximately \$23,000 in tax revenues for FY 2006; and

**WHEREAS**, MSPA is in compliance with the existing Agreement, which expires on December 31, 2006 (except for recapture provisions that survive the Agreement Term, on a sliding scale, for an additional five years upon a finding of default); and

**WHEREAS**, the City Council finds that amending the Agreement as requested is in the best interest of the City; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council hereby approves the terms of the Amendment to the Tax Phase-In Agreement with MSPA Acquisition II, L.P., an executed copy of which is attached hereto and incorporated herein as Attachment I, to remove one of the three original parcels of property from the Agreement, thus discontinuing the abatement of ad valorem taxes for the removed parcel.

**SECTION 2.** The City will not incur any cost due to the passage of this ordinance.


**SECTION 3.** The Interim City Manager or designee is authorized to execute the Agreement in Section 1 within 60 days from the effective date of this ordinance.

**SECTION 4.** This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 9th day of June, 2005.

ATTEST:

  
City Clerk

  
M A Y O R  
EDWARD D. GARZA

APPROVED AS TO FORM: \_\_\_\_\_

  
for City Attorney

# Agenda Voting Results

**Name:** 18.

**Date:** 06/09/05

**Time:** 06:15:54 PM

**Vote Type:** Multiple selection

**Description:** An Ordinance authorizing an amendment to the City's Tax Phase-In Agreement with MSPA Acquisition II, L.P. to remove one of the three original parcels of property (formerly the Adam's Mark San Antonio, now Crowne Plaza) from the Agreement; and discontinuing the abatement of ad valorem taxes for the removed parcel. [Presented by Ramiro A. Cavazos, Director, Economic Development; Jelynn LeBlanc Burley, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. McNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7	Not present			
ART A. HALL	DISTRICT 8		x		
KEVIN WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR	Not present			